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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 001568

SIPDIS

STATE FOR EAP/MTS

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SUBJECT: SUSPENSION OF MILITARY OPERATIONS AGAINST ROGUE

MUSLIM REBELS

REF: A. MANILA 1397 (AMBASSADOR AND FOREIGN SECRETARY DISCUSS NORTH KOREA MINDANAO VFA)

1B. MANILA 1318 (PHILIPPINES SEEKS BETTER FOOTING FOR REENGAGEMENT ON PEACE PROCESS)

Classified By: Ambassador Kristie A. Kenney, reasons 1.4 (b) and (d).

11. (C) SUMMARY: In a demonstration of resolve to pursue peace with Muslim separatists during her final 10 months in office, President Arroyo on July 23 announced the suspension of offensive military operations against rogue Muslim rebels in central Mindanao, setting her administration down an ambitious but important road to recovery for the conflict-affected region, where government forces and Muslim separatists have been fighting since August 2008. At a July 24 preview discussion with the Ambassador for next week's White House meeting, President Arroyo described her utmost concern for the welfare of civilians displaced by the fighting, and she expressed hope this ceasefire would allow them to begin to return home safely. Arroyo is expected to make a formal announcement about an August return to peace talks at the July 27 State of the Nation Address, the last of her presidency -- an opportunity to frame this moment as a positive step for peace in Mindanao, and as part of her broader presidential legacy. The government expects the Muslim rebels to issue a reciprocal ceasefire statement either today or tomorrow. To support the peace process, President Arroyo and other officials expressed an urgent need for U.S. development assistance to encourage the MILF's return to the negotiating table and to rebuild the lives and communities of the displaced, assistance that the Ambassador said the U.S. was ready and willing to provide, including some programs that could be rolled out on short notice. END SUMMARY.

GOVERNMENT SUSPENDS OFFENSIVE MILITARY OPERATIONS

12. (C) Malacanang Palace on July 23 took the first step toward a new ceasefire in central Mindanao with President Arroyo's directive to suspend offensive military operations in conflict-affected areas. The suspension, the statement notes, would "advance stability and peace" in order to "provide a stable environment for the resumption of peace talks" between the government and the Moro Islamic Liberation Front (MILF)." The statement amounts to a unilateral declaration of ceasefire, which government officials said took effect midnight July 23, and which they were expecting to be reciprocated by MILF leaders on Friday or over the weekend. The statement also calls for the Philippine police — in lieu of the military — to assume primary responsibility for pursuit of the "three renegade MILF commanders and other lawless elements," marking a transformation of perspective to regard the commanders as a law enforcement problem, not a military target.

- ¶3. (C) In a July 24 preview meeting of next week's discussion with President Obama, President Arroyo told the Ambassador she was pleased with her decision to stop offensive operations, noting she had become extremely worried about the current number IDPs displaced by fighting, which totaled 250,000 as of July 7, according to official statistics. A corresponding ceasefire announcement by the MILF, she said, was expected to be issued on Friday, and would help bring calm to the region and lay the groundwork for a return to peace talks. Arroyo said that, up to now, there had been some informal non-meetings of the Philippine and MILF peace panels, and, if all went well, there would be a prelude meeting on July 28 to set the stage for a resumption of formal talks. The Ambassador congratulated President Arroyo on her achievement and said that the U.S. remained ready to support development projects that could bolster the peace process.
- 14. (C) Peace panel Chair Rafael Seguis separately told the Ambassador July 24 that Arroyo had instructed him to make every effort to create conditions that would allow the MILF to return to the negotiating table. He planned to talk with MILF Chairman Murad next week, and noted that the Malaysian facilitators of the peace negotiations were being very helpful. Seguis said the President had also tasked him to work on the safe return of the internally displaced persons (IDPs) to their home communities, in cooperation with the military, without harassment, and with the support of

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reconstruction, rehabilitation and livelihood programs.

TOPICS FOR UPCOMING TALKS

15. (C) An official at the Office of the Presidential Advisor on the Peace Process told emboff that the two parties at next week's informal meeting would discuss agreements for a "contact group" and for the "protection of communities and Talks will also encompass the International Monitoring Team and the joint Philippine-MILF policing entity, the Ad Hoc Joint Action Group (AHJAG). The goal of early talks between the two sides would be to draft a "concepts" document incorporating the concerns of each side that would guide future talks. Positive outcomes of recent informal discussions have induced each side to drop some of the preconditions that previously delayed talks. Additionally, a "Friends of the Peace Process" plan would invite countries to observe the peace talks and would alleviate MILF concerns that it was negotiating with an administration which, in its last few months in office, did not have a mandate to embark on a comprehensive peace deal. The "Friends" could provide some sort of international guarantee that the peace process would carry over to the next Philippine president, to be elected in May 2010.

SEEKING U.S. SUPPORT FOR PEACE PROCESS

16. (C) President Arroyo expressed to the Ambassador the Philippines' sincere need for U.S. help in the form of development assistance to encourage the peace process forward. Civil-military operations (CMOs), Arroyo said, would be particularly important in rebuilding burned houses and launching medical missions, among other programs. Arroyo asked the Ambassador if the U.S. could consider specific, additional training and assistance to seaweed farmers, who, Arroyo said, were part of a growth industry. The Ambassador said that the U.S. had at least one project that could be rolled out on short notice if and when the MILF came back to the negotiating table. The U.S. was also looking to expand police training in central Mindanao and would continue

development and livelihood projects. JSOTF would work with the Philippine military to see how the U.S. could assist with CMOs, and the Ambassador noted she had already been in touch with AFP Eastern Mindanao Command's General Ferrer on this issue.

MILITARY PLEASED ABOUT SUSPENSION

17. (C) In a separate earlier conversation that day, Armed Forces of the Philippines (AFP) EastMinCom's General Ferrer told the Ambassador that the suspension of offensive operations would give his soldiers a chance to recover from the lengthy operations against rogue MILF elements. The military, he said, was determined to ensure that the return of IDPs would be well-managed; IDPs should feel protected in order to avoid creating new animosities between the IDPs and soldiers or government relief workers. Ferrer expressed hope that JSTOF could work with the AFP on a strategy for CMOs and other relief projects, which his team would begin discussing in earnest next week. The Ambassador said that the U.S. Mission would think about ways we could cooperate, and looked forward to hearing some ideas from the AFP for future CMOs.

COMMENT

18. (C) President Arroyo's decision to suspend military operations has attracted applause from many supporters of the peace process. Others who are familiar with the cyclical history of success and failure of Mindanao peace negotiations are cautiously reserving their praise for the moment when both sides resume talking and renew their commitment to a long-term ceasefire. Outcomes of recent informal discussions between the two sides show that there is some reason to be optimistic that regular formal talks will resume, but the proof will be the ability of a ceasefire to hold and for each side to resist resorting to fighting that could, once again, throw prospects for peace talks off-balance.

KENNEY